

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 21
2. AMENDMENT/MODIFICATION NO. M353	3. EFFECTIVE DATE SEE BLOCK 16C	4. REQUISITION/PURCHASE REQ. NO. NO PR	5. PROJECT NO. (IF APPLICABLE)
6. ISSUED BY CODE U.S. Department of Energy Consolidated Business Center West Valley Demonstration Project 10282 Rock Springs Rd., P.O. Box 191 West Valley, NY 14171	7. ADMINISTERED BY (IF OTHER THAN ITEM 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code) West Valley Nuclear Services Co. LLC 10282 Rocks Springs Rd. West Valley, NY 14171		(✓)	9A. AMENDMENT OF SOLICITATION NO.
			9B. DATED (SEE ITEM 11)
		X	10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC24-81NE44139
			10B. DATED (SEE ITEM 13) August 24, 1981
CODE	FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (IF REQUIRED)

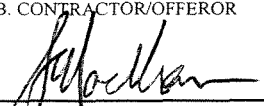

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (SPECIFY AUTHORITY) THE CHANGES SET FORTH IN ITEM 14 AND MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT OF AUTHORITY OF: 41 U.S.C 253. (c)(1) P. L. 95-91
	D. OTHER (SPECIFY TYPE OF MODIFICATION AND AUTHORITY)

E. IMPORTANT: Contractor [] is not, [X] is required to sign this document and return 3 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.

Except as provided herein, all terms and conditions of the document in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or Print) STUART MACLEAN VICE PRESIDENT		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or Print) Derrick J. C. Franklin	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 3/23/05	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 3/24/05

The purpose of this Modification (M353) is to extend the period of performance under the contract, and update the Performance Management Evaluation Plan and contract terms and conditions.

A. Contract period of performance is hereby extended to December 31, 2005, as provided for in clause F. 2 "Term of Contract".

B. Clause B.3, "Estimated Cost and Available Fee" is hereby changed to read as follows:

The estimated cost of the contract is the total funding approved by Congress and allocated by DOE from January 1, 2005 through December 31, 2005, including any contributing or matching funds. Currently it is anticipated that this amount will be \$61,875,000.00. The negotiated fee pool for the entire period is \$9,240,000.00.

C. Clause F. 2, "Term of Contract" is hereby changed to read as follows:

The term of this contract commenced on August 26, 1981 and shall continue through December 31, 2005.

D. Performance Based Incentive (PBI) VCD-1 is hereby deleted and replaced with the attached PBI VCD-1

E. Clause F.5, "Fiscal Year Deliverables and Milestones is hereby amended to include the following performance based incentives for the period January 1, 2005 through December 31, 2005.

PBI	Description	Completion Dates	Value
1 DD-1	Remove/demolish Trailers, Modular & Ancilliary Structures and Empty Warehouse	12/31/2005	\$470,000.00 Earned on a unit basis in accordance with the PBI
2 RHWF-1	Remove Mixed Waste (MW) form the Chemical Process Cell/Waste Storage Area (CPC/WSA), Process Remote Handled LLW, and Dispose of LLW with a Pathway for Disposal	12/31/2005	\$450,000.00
3 LLW-1	Dispose of LLW at an approved disposal facility	12/31/2550	\$8,320,000.00 Earned on cubic foot basis in accordance with the PBI
		TOTAL	\$9,240,000.00

F. The following clauses changes are made to update required clauses:

(1) Clause B.4, DEAR 970.5215-1 Total Available Fee: Base Fee Amount and Performance Fee Amount (Alt IV) (Dec 2000), paragraphs c (2) and c (3); (e), (f) please replace all references to the "Ohio Field Office Manager or his designee" with "The Director of the Consolidated Business Center."

(2) Clause G. 3, Contract Administration is hereby deleted and replaced with the following:

G. 3 Contract Administration:

This contract will be administered by:

U.S. Department of Energy
Consolidated Business Center
Cincinnati, Ohio

- (3) Clause G.4, Designation of Property Administrator is hereby deleted and replaced with the following:

G.4 Designation of Property Administrator

The property administrator for this contract shall be the Consolidated Business Center. The Site Contracting Officer who will be the focal point for all correspondence unless otherwise directed, and represents the Consolidated Business Center.

- (4) Clause H.17, Provisional and Incremental Payment of Incentives, paragraph a, (2 references) please replace all references to the "Ohio Field Office Manager or his designee" with "The Director of the Consolidated Business Center."
- (5) Clause I. 90, DEAR 970.5215-3, Conditional Payment of Fee, Profit or Incentive (Dec 2000) preamble, and paragraphs a, b, c(2) and d(3 please replace all references to the "Field Office Manager" with the "The Director of the Consolidated Business Center."
- (6) Clause I. 8, FAR 52.203-12, "Limitation of Payments to Influence Certain Federal Transactions (Jun 1997) is hereby deleted and replaced with I. 8 FAR 52.203-12 Limitation of Payments to Influence Certain Federal Transactions (June 2003)
- (7) Clause I.14, FAR 52.219-8, "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns" (Oct 2000)" is hereby deleted and replaced with I. 14, FAR 52.219-8 Utilization of Small Business Concerns (May 2004)
- (8) Clause I. 40, FAR 52.225-3, "Buy American Act – Supplies (May 2002) is hereby deleted and replaced with I. 40, FAR 52.225-3, "Buy American Act-Free Trade Agreement-Israeli Trade Act (Oct 2004).
- (9) Clause I.41, FAR 52.225-13, "Restrictions on Certain Foreign Purchases" (Jul 2000) is hereby deleted and replaced with I.41, FAR 52.335-13, "Restrictions on Certain Foreign Purchases" (Dec 2003)
- (10) Clause I. 57, FAR 52.244-6, "Subcontracts for Commercial Items" (May 2002) is hereby deleted and replaced with I.41, FAR 52.244-6, "Subcontracts for Commercial Items" (July 2004).
- (11) Clause I.59, FAR 52.247-63, "Preference for U.S.-Flag Air Carriers (Jan 1997) is hereby deleted and replaced with I. 57, FAR 52.247-63, "Preference for U. S. Flag-Carriers"(June 2003)
- (12) Clause I.60 , FAR 52.247-64, Preference for Privately Owned U. S.-Flag Commercial Vessels" (June200) is hereby deleted and replaced with Clause I.60, FAR 52.247-64, Preference for Privately Owned U. S.-Flag Commercial Vessels" (April 2003)
- (13) Clause I.61, FAR 52.249-6, "Termination (Cost Reimbursement) (Sep 1996) is hereby deleted and replaced with Clause I.61, FAR 52.249-6, "Termination (Cost Reimbursement) (May 2004)
- (14) Clause I.94, DEAR 970-5223-2, "Acquisition and Use of Environmentally Preferable Products and Services" (Dec 2000) is hereby deleted and replaced with Clause I. 94, DEAR 970.5223-2, "Affirmative Procurement Program" (Mar 2003)

G. The following Attachments incorporated as section “J” of the contract and current through Modification (A352) is hereby incorporated by reference and remains in effect until superseded.

A	Personnel Policies and Procedures
B	Project Premises Retained Premises
C	Special Financial Institution Account Agreement
D	Sensitive Foreign Nations Control
E	Performance Guarantee
F	Required DOE Directives
G	Key Personnel
H	Make versus Buy

H. Section J, Contract Performance Evaluation Management Plan (PEMP), is hereby changed to include the attached Individual Performance Based Incentives for period ending December 31, 2005.

I. The contract terms and conditions as indicated in this modification are effective as of date of award, and all other terms and condition of the contract remain unchanged and in full force and effect.

Contract Performance Evaluation and Measurement Plan (PEMP) Part I

A. Introduction

This plan specifies the methods that will be used to measure and evaluate the Contractor's performance under contract DE-AC24-81NE-44139. Part I addresses basic contract performance and performance evaluation including Minimum Performance Levels (MPLs) established in Clause DEAR 970.5215-3 Conditional Payment of Fee, Profit or Incentives (Jan 2004). Part II identifies the Performance Based Incentives, (PBIs) the fee associated with performance of those incentives, performance expectations, Contract Minimum Performance Levels (CMPLs) and tables identifying the expected contractor remuneration for failure to meet CMPLs. CMPLs are specific to this contract and are in addition to the MPLs established in DEAR 970.5215-3.

B. Organization Structure for Fee Administration

1. Head of Contracting Activity (HCA):

a. The Director of the Consolidated Business Center is the Head of the Contracting Activity as delegated by the Director, Procurement and Assistance Management Directorate, DOE Headquarters. By memorandum the Manager re-delegated to the Assistant Director of the Office of Contracting, the functions and duties of the HCA except for those specifically reserved for managers approval.

b. The primary HCA responsibilities applicable to this contract and retained by the Manager are:

- (1) Determining the fee payable to the contractor as the Fee Determining Official.
- (2) Meet periodically with Senior Managers and Assistant Managers to formally assess the contractor's performance under the contract
- (3) Approve the establishment of PBIs, and Baseline Changes.
- (4) Review and approve Contractor Human Resources Activities as required in DOE Order 450.1

c. Assistant Director Office of Contracting has been delegated responsibility for the following activities.

- (1) Continuously monitor contractor's performance.
- (2) Notify the HCA whenever reportable aspects of non-conformance with the contract requirements occur.
- (3) Coordinate and approve actions of major significance or impact. These may include fee reductions, equitable adjustments, or other changes outside the scope of the approved PEMP, or otherwise determined to be significant.
- (4) Establish policies and procedures pertaining to contract matters involving all contracts under the cognizance of the Consolidated Business Center.
- (5) Ensure that the contractor receives fair, impartial and equitable treatment under the contract.

d. Contracting Officer (CO) is responsible for:

- (1) Performance of all actions necessary to ensure the contractor complies with the terms of the contract and to safeguard DOE contractual interests.
- (2) Modifying the contract as necessary, and ensuring that all supporting documentation for the modification is current, accurate, and that funding documentation has been approved and certified at the appropriate level.
- (3) Approve PBI payment in accordance with the contract.
- (4) Coordinate and obtain approval of performance requirements with the necessary specialists at the appropriate level.
- (5) Provide for impartial, fair and equitable treatment of the contractor.
- (6) Maintain the HCA records of contractor's performance identified in this PEMP.

C. Performance Evaluation

The areas assessed within the contract and accomplishment in these areas is directly attributed to the contractor management's ability to safely and successfully perform the work. Evaluation of work performed under the Statement Of Work (SOW) and PBIs, will be based on the presumption that all MPLs have been met, however exceeding the MPLs and the CMPLs will not result in any increase in fee. Contractor performance will be evaluated on:

- a. Performance of all the requirements in the SOW including those areas not specifically incentivized.
- b. Performance with respect to the specific PBI completion, i.e. satisfactory accomplishment of PBI objectives within the terms and conditions of the PBI entitles the contractor to the fee specified in the PBI.
- c. Meeting the MPLs and CMPLs.

D. General Instructions for Monitoring Contractor's Performance:

1. Evaluations of the contractor's performance will be performed by cognizant management, technical and contracting personnel assigned to the DOE Ohio Field Office, the Consolidated Business Center, and the West Valley Demonstration Project Office.
2. The Contractor's performance must be evaluated not only against the performance standards set forth in the contract and other applicable documents, but also applicable standards, DOE Orders and Directives, and applicable law and regulations.
3. PBI evaluation will be an objective assessment of the results required by the PBI and the manner in which those results were achieved. MPL and CMPL evaluation is an objective evaluation of the contractor's compliance with the minimum performance expectations, established by the contract and this PEMP. Failure to meet minimum MPLs will subject the contractor to the remedies specified in clause DEAR 970.5215-3 (Jan 2004). Failure to meet CMPLs will be handled as specified in Part II of this PEMP.
4. Evaluators will consider all available performance information necessary; including but not limited to audits, appraisals, reports, compliance with the SOW, DOE orders and directives, etc. as sources of input in making their evaluations. There is a presumption on the part of DOE that the contractor's application of the principle of Environment, Safety and Health requirements are a precondition of operation of the entire WVDP and will be evaluated in all aspects of contractor performance.

5. The Contractor will be evaluated on the basis of factors within their control, as well as those factors and results that a reasonably prudent contractor engaged in the nuclear field should have anticipated or foreseen. The evaluation must consider if the contractor has reasonably exercised the steps that should have been taken for performance of the contract.

E. Minimum Performance Levels (MPLs)

MPLs are those minimum performance requirements that the contractor is required to meet under DEAR 970.5215-3 (Jan 2004) in performance of the work under this contract. Failure by the contractor to meet the MPLs may result in a reduction in otherwise earned fee in accordance with the clause

F. Performance Based Incentive

1. Performance Based Incentive (PBI) -PBIs are the specific elements of performance that can be measured and validated against a quantified measure and can be used as an objective evaluation of contractor performance. Of the Fee assigned to this contract, 100% is tied to completion of PBIs, and payments made from this fee will be categorized as final or provisional based on the terms of the contract and the specific PBI. The contractor must complete the PBI acceptably to earn and retain the amount of fee assigned to that PBI. The DOE will evaluate each specific performance element, and select the appropriate PBI type for that element. The following definitions apply to the different types of PBI's available for use under this contract, however; this does not mean that every type of PBI must or will be used. Each incentive included in the contract will be designated as one of the following types:
 - a. Baseline Incentive: A performance, schedule, or cost incentive that is associated with the budgeted work to be performed, and requires the work to be performed within the baseline.
 - b. Stretch Incentive: An incentive designed to motivate the contractor to accelerate work performance, achieve cost efficiencies, or perform more work than expected under the current baseline (i.e. the annual operating plan, work breakdown structure, etc.). The cost efficiencies achieved are normally within the range of the original estimate of the work or achievable through efficiencies in the performance of such work. Any fee associated with the acceleration of such work is part of the Total Available Fee. As an example, a baseline incentive may require shipment of 100 CF of waste, whereas a stretch incentive may include a greater fee for shipping the same amount sooner or a greater amount in the same time frame and baseline. Typically, the contractor's authority to initiate or accelerate work subject to a stretch incentive is described within the PBI and would not be subject to action by a configuration/change control board, or similar entity.
 - c. Super Stretch Incentive: A super stretch incentive motivates the contractor to accelerate significantly more work than that incentivized by stretch incentives. Fee associated with the super stretch incentive is not part of the Total Available Fee, but is funded from cost savings/efficiencies realized as a result of the contractor's performance of baseline work efforts. The contractor can only perform work associated with the super stretch incentive upon express authorization by a configuration/ change control board or similar entity.
 - d. Gateway Incentive: The gateway incentive creates a requirement that work previously subject to an incentive must be successfully performed prior to any follow-on incentive fee being earned by the contractor. Gateways are intended to ensure that priority work will be performed even if the associated incentive is not earned; and that necessary tasks are not deferred based on application of resources relative to potential fee.
2. Validation: The PBI's contained in this contract are established for the entire contract period. It is DOE's preference that all changes (as defined in paragraph 3 "changes" below") will be made by bilateral agreement with the Contractor. The contractor will be invited to provide input during the PBI change process. All PBI changes will be reviewed and approved by DOE in accordance with

regulations and requirements, and where applicable, documented through change control board process and/or contract modifications. In the event DOE and the contractor cannot reach mutually satisfactory agreement with regard to PBI changes, DOE reserves the right under the contract to make such changes unilaterally, and such change would be subject to the provisions of the disputes clause of the contract. The contractor is not authorized to initiate or pursue changes to PBI's that have not been reviewed and approved by DOE.

3. Changes: Changes to a PBI are defined to include, but not be limited to: date extensions, quantity and quality changes, work scope replacement, requirements changes, baseline changes, cancellation in total or part, etc. A change to a PBI that relaxes the performance requirement will not be approved unless the change is clearly outside the control of the contractor, or DOE has determined that the change is in the best interest of the Government. Baseline changes will be documented by the change control board process and will result in revision of all applicable financial documents. Additions, deletions or changes are not effective until the appropriate administrative documentation (i.e. change control authorization, contract modification) has been executed and distributed.
4. Notification: Timely notification and processing of changes is imperative. At the point in time when the contractor becomes aware, or should have become aware, that events or changes in conditions outside their control have occurred and that these events or conditions will impact their ability to perform the PBI, the contractor shall immediately notify the Project Director, or delegated responsible party, in writing. Contractor notification will include the identification of the event(s), the exact impact of the event or condition on PBI and contract performance, as well as the suggested changes needed to mitigate or negate the impact of the event on cost, schedule, and performance. The contractor must provide notification to DOE within 30 calendar days of the date the contractor becomes aware of or should have become aware of the event or changed conditions. Failure to notify DOE may result in a determination that the notification was untimely and the contractor shall bear the responsibility for the change or event.
5. Disagreements: Any disagreements regarding PBI's will be processed through (i) Cognizant WVDP technical personnel, (ii) Contracting Officer, and (iii) the HCA. Failure to resolve the issue prior to reaching the HCA will result in a final decision by the HCA. Such a decision is subject to dispute in accordance with the Disputes clause of this contract.
6. Part II of the PEMP contains the PBI's applicable to this contract. All incentives were prepared utilizing the Model Performance Incentive Template.

G. Fee Payments

1. Fee available under the contract will be paid when the work performed conforms to the contract requirements as set forth in the contract, and its attachments. The clauses pertaining to payment, retention, or evaluation of fee applicable to this contract are as follow:

a. DEAR 970. 5215-1 Total Available Fee: Base Fee Amount and Performance Fee Amount (Alt I): This clause establishes they types of fees available under the contract, establishes the requirement to prepare a PEMP for evaluation of the contractors performance, and specifies the time frames and for accomplishing these requirements.

b. DEAR 970.5215-3(Jan 2004) Conditional Payment of Fee Profit or Incentive: This clause establishes minimum performance levels (MPLs) for ES&H, Contract Performance, and Cost under the contract. Failure to meet the MPLs specified in the clause may result in an annual reduction in fee in varying degrees up to the total amount earned. The Fee Determining Official makes the final decision as to the amount, if any, by which fee will be reduced on an annual basis.

c. FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity: This clause establishes the Government right to reduce fee for illegal actions or improper activity on the part of the contractor.

d. Fee: This clause states DOE's intent that 100% of the fee pool will be assigned to PBI's and that fee that is unearned due to Contractors failure to perform is forfeit, however, fee that is unearned due to modification or cancellation of a PBI will be reallocated to either a new or existing PBI at DOE's discretion.

e. Provisional and Incremental Payment of Incentives: This clause provides that a single PBI may contain both provisional and final payments within, establishes a requirement for repayment of provisional fee with interest for failure to complete the PBI, and allows DOE to declare provisional payments final at their discretion for completion of a PBI with lasting intrinsic value. Additionally the clause reiterates that all fee, whether provisional or final, is subject to DEAR 970.5215-3.

f. Inspection of Services: This clause provides that a fee reduction may occur when the contractor's performance does not conform with contract requirements and the service cannot be re-performed within the originally estimated or officially revised cost estimate. Each situation will be evaluated based upon the facts and circumstances. And will be determined to be (1) Unimportant or trivial omissions, defects, or failures that do not result in a fee reduction. (2) Defects of such a magnitude as to materially affect the form, fit, function, value or usefulness of the service/product provided and significant defects or adverse trends indicating fundamental programmatic deficiencies may result in an appropriate fee reduction; (3) Substantial defects may result in a fee reduction, invocation of the Conditional Payment of Fee clause, or in exercise of the Governments rights under the Termination clause.

2. Fee payments will be made for conformance with contract requirements which include performing all assigned work as specified on the actual PBI. Once final acceptance and payment for work under a PBI occurs, the fee is no longer subject to adjustment under the Inspection of Services Clause, except as otherwise provided for by law, regulation or other agreed upon provisions of the contract.

3. It is expected that management systems will be in place and enforced to assure that effective procedures are developed and implemented. The Contractor is responsible for the conduct of its operations and all of its employees in the operation of this site. The contractor shall not be subject to any fee reduction or request for remuneration under the fee clauses or remuneration requirements of the PEMP and contract for stopping an activity which it deems unsafe; unless the alleged unsafe condition arose as a result of the contractor's actions or inaction.

4. If DOE determines that it is appropriate to reduce fee or require remuneration from the contractor in accordance with the PEMP or the terms of the contract, the contractor will be immediately notified of the deficiency. Although the Government is willing to discuss fee reductions or remuneration with the contractor and prefers to make mutually acceptable, equitable adjustments when defects occur, the final decision on the amount of a fee reduction or remuneration required may be unilateral on the part of the DOE. If the contractor does not accept the final decision of the HCA with regard to the reduction, the contractor may dispute the reduction under the Disputes clause of this contract.

Contract Performance Evaluation and Measurement Plan (PEMP) Part II

A. Introduction

The purpose of this contract is to safely and economically maintain and monitor the West Valley Demonstration Project (WVDP), and perform facilities operation and site support services. The nature of the contract, along with the financial incentives for accelerated completion or for cost effectiveness should never compromise or impede full and effective implementation of the Integrated Safety Management System and full ESH&QA compliance. The performance expectations provided in the Contract Minimum Performance Levels (CMPLs) herein are in addition to, not in lieu of the MPL's established by Clause DEAR 970.5215-3. Specific events, occurrences and incidents categorized by significance, along with the expected contractor remuneration to DOE associated with failure to comply are listed in Table C.1.

The contractor agrees that the DOE Fee Determining Official has discretionary authority to withhold up to \$200,000.00 in fee for failure to meet performance expectations, where the FDO believes such failure to be significant, and has the potential to cause an adverse effect on Project performance. This discretionary authority is separate from and not dependant on any determination(s) made or not made with regard to the Remunerations in Table C.1. Remuneration determined to be necessary for failure to meet CMPL's, will be in addition to any remedy available to DOE under their discretionary authority. The performance expectations are as follows:

B. Performance Expectations

1. Integrated Safety Management (ISM): The objective of ISM is to provide a safe work place for workers, DOE, the public, and the environment. The minimum performance expectations for this objective are:
 - (a) Establish and maintain an effective safety program compliant with the requirements of an approved Integrated Safety Management System and the contract.
 - (b) Ensure the effective flow-down of the safety program to employees and subcontractors.
 - (c) Establish and maintain an effective Emergency Management Program that includes all of the following:
 - (1) On time completion of all safety drills and exercises as described in the site Emergency Readiness Assurance Plan;
 - (2) On time submission of annual revisions of the site Emergency Plan and the Site Hazardous Assessment;
 - (3) Completion of all required annual emergency response organization training; and
 - (4) Support provided, as necessary, to DOE in actual or perceived emergency situations.
 - (d) Establish and maintain an effective Radiation Protection program that meets the requirements of 10 CFR 835 and addresses the WVDP goal of zero (0) reportable clothing contaminations, skin contaminations, and internal contaminations and/or uptakes.
 - (e) Conduct all radiological activities consistent with the "As Low As Reasonably Achievable" (ALARA) principle.

- (f) Establish and maintain an effective Environmental Management System that includes all of the following:
 - 1) Systematic planning and execution of programs for public health and environmental protection, pollution prevention, and compliance with applicable requirements;
 - 2) Evaluation of programs for public health and environmental protection, pollution prevention, and compliance with applicable requirements; and
 - 3) Conduct of environmental monitoring to support the site's ISMS to detect, characterize, and respond to releases from site activities.
 - (g) Obtain and maintain the appropriate permits, authorizations and licenses to perform the work.
 - (h) Establish and maintain a DOE Directives matrix (includes DOE Policies, Notices, Orders, and Manuals) that accurately identifies cognizant personnel responsible for contract applicability determinations.
 - (i) Maintain an effective nuclear facility safety program.
 - (j) Maintain an effective lesson-learned program.
2. Project and Financial Management (P&FM): This objective is to ensure the contractor provides the project and financial management necessary to efficiently and cost-effectively manage the contract scope. The minimum performance objectives are:
- (a) Maintain an effective integrated technical baseline for the contract scope.
 - (b) Maintain an appropriate level of project management oversight and discipline for work being performed and planned under the contract.
 - (c) Provide risk assessments as necessary to ensure project resources, schedules, and costs are properly estimated and managed in accordance contract requirements.
 - (d) Maintain an effective DOE approved Baseline Change Control Process.
 - (e) Comply with Cost Accounting Standards to prevent material mischarging under the contract.
 - (f) Provide thorough, timely and effective project and financial management assessments and reports as required by the contract or as may be requested by DOE.
3. Site Infrastructure and Technical Management (SI/TM): This objective is to ensure the contractor provides effective facility, infrastructure, resource and workforce management and utilization. The minimum performance objectives are:
- (a) Provide and maintain necessary infrastructure support for site operations.
 - (b) Maintain a competent core technical workforce and appropriate skill mix.
 - (c) Maintain open and effective communications with employees and implement effective human resources policies and programs.
 - (d) Maintain effective approved property management and subcontract administration systems as required by the contract.

4. Quality Assurance Management (QA): This objective is to ensure the contractor provides an effective quality assurance program. The minimum performance objectives are:
 - (a) Establish and maintain an effective quality assurance program in compliance with DOE Order 414.1A and 10 CFR 830 Subpart A.
 - (b) For high level waste items and activities, establish and maintain an effective high level waste quality assurance program in compliance with DOE/RW-0333P, Rev. 0.
5. Records Management Program (RMP): This objective is to ensure the contractor provides an effective Records Management Program. The minimum performance objectives are:
 - (a) Establish and maintain an effective records management program in compliance with DOE Order 200.1, "Information Management Program," 36 CFR Chapter XII, "National Archives and Records Administration", Sub-chapter B, and ASME NQA-1-1989 Editions, "Quality Assurance Program Requirements for Nuclear Facilities".
 - (b) Maintain the Self-Assessment Program that assesses and enforces the records management program.
6. Contracts Management: This objective is to ensure the contractor effectively manages subcontracts and subcontractor performance. The minimum performance objectives are:
 - (a) Develop and maintain an approved Small Business Subcontracting plan.
 - (b) Maintain and account for government furnished property in accordance with the approved property management plan, Balanced Scorecard, and contract requirements.
 - (c) Comply with Equal Opportunity and Affirmative Action program and reporting requirements.
7. Community and Stakeholder Relations (C&SR): This objective is to ensure the contractor provides an effective program for community and environmental relations, education, and media coverage. The minimum requirements are:
 - (a) Establish and maintain an effective C&SR program that complies with the contract requirements of with regard to Public Affairs and Community Commitment.
 - (b) Ensure that communication channels are established and maintained for the dissemination of information to the public and for use in responding to public comment and inquiry.
 - (c) Identify and comply with all regulatory and emergency planning/response public affairs requirements.
 - (d) Develop and maintain a program to track and analyze public issues related to project goals and provide feedback and information necessary for effective planning and decision making by DOE.

C. Contractor Minimum Performance Levels

1. Category 1:

Category 1 events, occurrences, or incidents are those that:

- (a) could threaten the success of the West Valley Demonstration Project or other DOE Projects;
- (b) reflect significant conditions adverse to safety or quality; or

(c) reflect conditions that could result in significant additional costs to the Government.

This Category also includes events or incidents where an actual injury, exposure, or incident occurred or nearly occurred, regardless of the lack of actual or potential long-term health consequence. This category also includes breakdown or failure of WVDP Safety Management Programs. Examples include, but are not limited to events, occurrences, or incidents listed in Table C-1.

2. Category 2:

Category 2 events, occurrences, or incidents are those that may indicate or reflect a significant weakness in programmatic requirements in environment, safety, health, or quality assurance. Examples include, but are not limited to events, occurrences, or incidents listed in Table C-1.

3. Category 3:

Category 3 events, occurrences, or incidents include requirements that overlay all work accomplished by the contractor to ensure work performed at the site is conducted in a safe, disciplined manner that complies with all contract requirements. A Category 3 event, occurrence, or incident may indicate or reflect a lack of rigor or lack of focus on improving environment, safety health, quality assurance and compliance-related programs. Comprehensive implementation of these programs is essential inasmuch as these programs are relied upon to prevent Category 1 and 2 events, occurrences, or incidents. Examples include, but are not limited to events, occurrences, or incidents listed in Table C-1.

4. Mitigation Factors

The Contracting Officer shall ensure that Contractor receives impartial fair and equitable treatment, as set forth in FAR 1.602-2, and will take into account mitigating factors. These may include factors such as those set forth below:

- (a) Degree of control that the Contractor had over the event
 - (b) Event caused by "Good Samaritan" act by the Contractor (e.g., offsite emergency response)
 - (c) Efforts that the Contractor had made to anticipate and mitigate the possibility of the event in advance.
 - (d) Contractor response to the event to mitigate its impacts and recurrence.
 - (e) General status (trend and absolute performance) of safety and compliance in related areas
5. The Contracting Officer may require contractor remuneration as outlined in Table C-1 within six (6) months from the date of DOE discovery of the event, incident, or occurrence.
6. If the event, occurrence, or incident could be categorized in more than one category, the Contracting Officer shall apply the remuneration for only the highest category. If the event, occurrence, or incident results in a fine or penalty from a government agency, the amount of such fine or penalty shall be credited against the amount imposed under the contract by the Contracting Officer. The total credit provided by the Contracting Officer shall not exceed the maximum remuneration required under Table C-1.

Table C-1

CATEGORY 1	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Nuclear criticality	Up to 2.5M
Event which results in an occupational radiation exposure greater than the DOE Limits as defined in 10 CFR 835 and Listed in Table 2-1 of WVDP-010, WVDP Radiological Control Manual	
Fire in a Hazard Category 2 or 3 Nuclear Facility exceeding the Maximum Credible Fire as defined in DOE Order 420.1A due to contractor action or inaction	
Contractor-controlled packaging and/or transportation deficiency that results in a container breach and material release during off site shipment or during receipt of shipment which requires an off-site response	
Air release from the project or incident causing a measured dose exceeding 100 mrem TEDE at the site boundary as defined in DOE Order 5400.5	
Liquid discharges from DOE process operations (not including WNSWAMP), which exceed 100 times the Derived Concentration Guidelines (DCGs) established in DOE Order 5400.5 for 100 mrem annual ingestion-based dose, as measured at the discharge outfall to local surface waters (e.g., Erdman Brook)	
A significant event, categorized as an Operational Emergency or reported as a Significance Category 1 Occurrence Report, for which the cause is failure to establish, implement, and maintain a Safety Management Program as defined in WVDP-146, "WVDP Technical Safety Requirements" in a manner consistent with the governing Code of Federal Regulations or DOE Order. The violation of a procedure that implements a Safety Management Program is not a Category 1 event.	

CATEGORY 2	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Event which results in an individual receiving an occupational radiation exposure greater than the DOE Administrative Control Levels as defined in the DOE Radiological Control Standard.	Up to \$100,000 per event, not to exceed \$500,000 for the contract period
Facility fire in a less than Hazard Category 3 Facility exceeding the Maximum Credible Fire as defined in DOE Order 420.1 Due to contractor action or inaction	
Each month that the WVDP 12 month rolling average Days Away, Restricted, Transfer (DART) is greater than 2.0. [Note: Once exceeded, remuneration will not apply to successive months if these successive months indicate a declining average.]	
Air release from the project or incident causing a measured dose exceeding 10 mrem TEDE at the site boundary as defined in DOE Order 5400.5	
Liquid discharges from DOE process operations (not including WNSWAMP), which exceed 10 times the Derived Concentration Guidelines (DCGs) established in DOE Order 5400.5 for 100 mrem annual ingestion-based dose, as measured at the discharge outfall to local surface waters (e.g., Erdman Brook)	
Contractor-controlled packaging and/or transportation deficiency that results in a container breach of an off site shipment or during receipt of shipment, which requires an off-site response	
Issuance of any final Notices of Violation under NYS or Federal regulations	
Any occurrence, event, emergency, or incident, categorized as an Operational Emergency or reported as a Significance Category 1 or 2 Occurrence Report, determined by the HCA to be so significant as to actually have a measurable effect on the health, safety, or security of employees, the public and/or the environment.	
Any action on the part of the contractor which effect is to cause the discovery of a Unreviewed Safety Question (USQ) as defined in WV-914, Unreviewed Safety Question Process (USQP) which results in conditions outside of the approved safety basis	
Work performed by personnel where the personnel performing work did not have required ES&H-related training and/or qualification/certification for that work (i.e., asbestos handling, HAZWOPER, fuel handling, criticality) resulting in a personal illness/injury, exposure, or environmental release	

CATEGORY 3	
Event, occurrence, or incident	Contractor Remuneration (Maximum)
Each month that the WVDP 12 month rolling average Days Away, Restricted, Transfer (DART) is greater than 1.0 [Note: Once exceeded, remuneration will not apply to successive months if these successive months indicate a declining average.]	Up to \$50,000 per event, not to exceed \$200,000 for the contract period.
One or more regulatory milestones missed as identified in the Resource Conservation and Recovery Act (RCRA) 3008(h) Administrative Order on Consent and the Federal Facility Compliance Act (FFC Act) Consent Order as a result of contractor action or inaction	
Event which results in an individual receiving an unapproved exposure greater than WVDP Administrative Control Levels as defined in WVDP-010, Radiological Controls Manual	
Any violation of a Technical Safety Requirement as identified in WVDP-146, <i>WVDP Technical Safety Requirements</i> or Process Safety Requirement as defined in WVDP-218, <i>Process Safety Requirements</i> due to contractor action or inaction	
Work performed by personnel without required ES&H-related training and/or qualification/certification (including lapsed or expired training, qualifications or certification) for that work (i.e., asbestos handling, HAZWOPER, fuel handling, criticality)	
Contractor-controlled packaging and/or transportation deficiency that results in a container breach of an off-site shipment	

PERFORMANCE INCENTIVE

Section I - General Information

Performance Incentive Short Title: Remove/demolish Trailers, Modular & Ancillary Structures and empty warehouse #2
Incentive Number: DD-1

Section II - Accounting Information

Initial Budgeted Cost of Work Scheduled (BCWS) under this Incentive: \$4,200,000	Maximum Available Fee Allocated to this Incentive: \$470,000
Performance Baseline System (PBS)/Work Authorization (Directive) (WA (D)/Program Control Document No. PBS OH-WV-13	Work Breakdown Structure (WBS) Element No(s). WH05130

Section III - Incentive Information

Incentive Type: Baseline ☒ Stretch ☐ Super stretch ☐ Gateway ☐ Multi-year ☐
Degree of Difficulty: High ☐ Medium ☐ Low ☒
Duration: Annual ☒ Multi-year ☐
Fee Payment Type: Completion ☒ Progress ☐ Provisional ☐

Section IV - Performance Expectation and Measurement

Short Title: Remove/demolish Trailer, Modular & Ancillary Structures and empty warehouse #2

1. Description: WVNSCO shall remove trailers, modular & ancillary structures from the site as specified on the Trailer Removal List dated March 9, 2005. All materials and waste generated as a result of this task shall be recycled or disposed off site at an approved disposal facility and are excluded from waste quantities addressed in all other PBIs. All utilities shall be appropriately isolated to ensure a safe configuration. Any utilities which must remain active shall be rerouted and documented on revised facility/site drawings and records. All disturbed areas associated with removed facilities shall be leveled to grade and treated for erosion control (e.g. seeded or graveled). Warehouse #2 (which is equivalent to four (4) units) shall be cleaned out of all material.

2. Cost Constraint/Incentive: All work associated with this performance based incentive shall be completed within the applicable cost account planning report.

3. Gateway: None.

4. Completion: Completion shall be no later than December 31, 2005. This milestone is considered complete when the work described in paragraph 1 has been finished and the documentation as described in paragraph 5 has been accepted by DOE.

5. Completion Documents List: Documentation will include disposition documentation for all trailers, condition of warehouse #2 and a revised site drawing reflecting the modified utilities.

6. Technical Boundary Conditions: None

7. Assumptions: The work associated with the activity shall be completed as required by contract

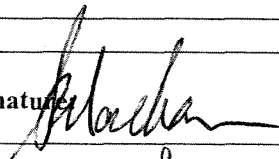
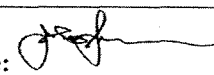
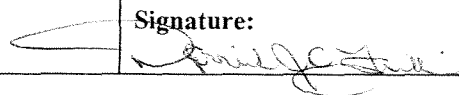
Definitions: Removed means that the trailers have been removed from the site, and there is no further obligation or liability on the part of DOE for shipment, transfer, and disposal, etc. of the trailers, modular and/or ancillary structures.

Earnings Schedule:	<u>Units</u>	<u>Earning Value</u>
	0 - 30	\$1,000
	31 - 60	\$3,000
	61 - 90	\$5,000
	91 - 120	\$6,666

Fee will be considered earned when demonstration is provided that each trailer unit had been properly dispositioned
 Fee will be earned on a graduated basis per unit dispositioned in accordance with the earnings table.

Fee Available: \$470,000

Signatures:

WVNSCO	Signature: 	Date: 3/23/05
DOE Project Director	Signature: 	Date: 3/23/2005
Contracting Officer	Signature: 	Date: 3/24/05

PERFORMANCE INCENTIVE

Section I - General Information

Performance Incentive Short Title: Remove Mixed Waste (MW) from the Chemical Process Cell / Waste Storage Area (CPC/WSA), Process Remote Handled LLW, and Dispose of LLW with a Pathway to Disposal

Incentive Number: RHWF-1

Section II - Accounting Information

Initial Budgeted Cost of Work Scheduled (BCWS) under this Incentive: ~\$6,300,000

Maximum Available Fee Allocated to this Incentive: \$450,000.00

Performance Baseline System (PBS)/Work Authorization (Directive) (WA (D)/Program Control Document No.
PBS OH-WV-13

Work Breakdown Structure (WBS) Element No(s).
WH06100

Section III - Incentive Information

Incentive Type: Baseline ☒ Stretch ☐ Super stretch ☐ Gateway ☐ Multi-year ☐

Degree of Difficulty: High ☒ Medium ☐ Low ☐

Duration: Annual ☒ Multi-year ☐

Fee Payment Type: Completion ☒ Progress ☐ Provisional ☐

Section IV - Performance Expectation and Measurement

Short Title: Remove Mixed Waste (MW) from the Chemical Process Cell / Waste Storage Area (CPC/WSA), Process Remote Handled LLW, and Dispose of LLW with a Pathway to Disposal

1. Description: Complete all the necessary activities to remove the MW from the CPC/WSA, process remote handled LLW, and dispose of LLW with a pathway to disposal.

2. Cost Constraint/Incentive: All work associated with this performance based incentive shall be completed within the applicable cost account planning report.

3. Gateway: None.

4. Completion: Completion shall be no later than December 31, 2005. All mixed waste (MW) will be removed from the CPC/WSA. The 23 containers storing mixed waste listed below in Section 7 represent 203 waste containers. At least 99 of the 203 waste containers will be processed in accordance with the current RHWF integrated run plan (WVNS-IRP-006, revision 8), to meet either WIPP Waste Acceptance Criteria (final WAC for CH TRU and draft WAC for RH TRU), or current waste management procedures for LLW. Four of the jumper boxes will be processed in the Remote Handled Waste Facility. The mixed waste drums will be removed from the SURPAKs. All other mixed waste containers will be relocated to the LAG Storage System. This milestone will be considered complete when the containers of known mixed waste (as defined below) have been removed from the CPC/WSA and have been processed and/or stored in other on-site interim status RCRA storage facilities and the LLW generated prior to November 1, 2005 with a pathway to disposal will be disposed off-site.

5. Completion Documents List: Documentation of the waste volume removed for processing, related container data records and (for LLW generated by November 1, 2005) disposal facility receipt documentation will be submitted to DOE-OH/WVDP for information.

6. Technical Boundary Conditions: The work will be performed in conformance with WVNSCO procedures governing waste packaging, characterization, storage and/or shipping. Waste without a pathway for disposal will be stored in The LAG Storage System.

7. Assumptions: The work associated with the activity shall be completed as required by contract.

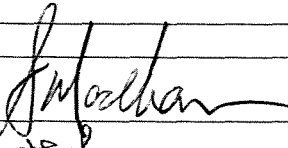
Definitions: Known mixed waste container ID numbers include: J1, J2, J3, J4, J5, J6, J7, J8, J9, J10, J11, J12, JC-5/7E-8/3E-1, TC-193, SURPAK's 3, 6, 8, 10, 28, 32, 35, 37 and 38.

Earnings Schedule:

Fee Available: \$450,000

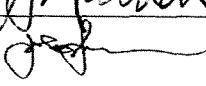
Signatures:

WVNSCO

Signature: 

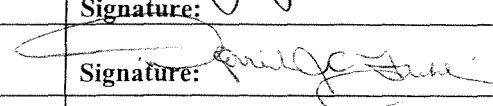
Date: 3/23/05

DOE Project Director

Signature: 

Date: 3/23/2005

Contracting Officer

Signature: 

Date:

3/24/05

PERFORMANCE INCENTIVE

Section I - General Information

Performance Incentive Short Title: Dispose of LLW at an approved disposal facility **Incentive Number:** LLW-1

Section II - Accounting Information

Initial Budgeted Cost of Work Scheduled (BCWS) under this Incentive ~\$36,000,000	Maximum Available Fee Allocated to this Incentive: \$8,320,000.00
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Performance Baseline System (PBS)/Work Authorization (Directive) (WA (D)/Program Control Document No.	Work Breakdown Structure (WBS) Element No(s). WH06200
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Section III - Incentive Information

Incentive Type: Baseline ☒ Stretch ☐ Super stretch ☐ Gateway ☐ Multi-year ☐

Degree of Difficulty: High ☐ Medium ☒ Low ☐

Duration: Annual ☒ Multi-year ☐

Fee Payment Type: Completion ☒ Progress ☐ Provisional ☐

Section IV - Performance Expectation and Measurement

Short Title: Dispose of LLW at an approved disposal facility.

1. Description: WVNSCO will process, package and dispose of LLW and clear the west end of LSA-4 such that the new waste sorting facility can be installed. All waste volumes reflect preprocessed in-storage volumes.

2. Cost Constraint/Incentive: All work associated with this performance based incentive shall be completed within the applicable cost account planning report.

3. Gateway: None

4. Completion: Dispose of LLW at an approved disposal facility.

5. Completion Documents List: A. A final report will be prepared and include: the volume of waste processed/packaged, the location of the remaining waste, condition of emptied storage facilities/hardstands, volume of waste ready for disposal and the waste characterization results.

B. WVNSCO will provide completed off-site documentation of receipt from the disposal facilities of all the waste volume that was shipped and disposed of by December 31, 2005.

6. Technical Boundary Conditions: The Nevada Test Site and Envirocare are the presumed disposal facilities.

7. Assumptions: A readiness evaluation per WV-368 of the new sorting facility in LSA-4 will be conducted as part of the start-up of the facility. The work associated with the activity shall be completed as required by contract.

8. Definitions: Low Level Waste as defined in DOE O 435.1 or 10 CFR Part 61.

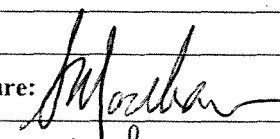
9. Earnings Schedule:	Volume Cu. Ft.	Fee/Value	Volume Cu. Ft.	Fee/Value
	0 – 50,000	\$300,000	51,000 – 100,000	\$320,000
	101,000 – 150,000	\$750,000	151,000 – 200,000	\$1,000,000
	201,000 – 250,000	\$1,350,000	251,000 – 300,000	\$1,400,000
	300,001 – 350,000	\$1,600,000	350,001 – 400,000	\$1,600,000

Fee will be considered earned when documentation is provided that the waste volume unit (Cu. Ft.) has been properly dispositioned. Fee will be earned on a graduated basis per unit dispositioned in accordance with the earning table.

10. Fee Available \$8,320,000.00

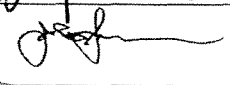
Signatures:

WVNSCO

Signature: 

Date: 3/23/05

DOE Project Director

Signature: 

Date: 3/23/2005

Contracting Officer

Signature: 

Date: 3/24/05

PERFORMANCE INCENTIVE

Section I - General Information **Revised 3/22/05**

Performance Incentive Short Title: Vitrification Cell Dismantlement and Waste Shipping **Incentive Number:** VCD-1 **Rev Number/Date:** 2 dated 03/22/05

Section II - Accounting Information

Initial Budgeted Cost of Work Scheduled (BCWS) under this Incentive: \$26.5 M	Maximum Available fee Allocated to this Incentive \$3,180,000
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Performance Baseline System (PBS) Work Authorization (Directive) (WA (D)/Program Control Document No. PBS OH-WV-13; PBS OH-WV-40	Work Breakdown Structure (WBS) Element No(s). 1.0.5.2.1.0 , 1.0.6.2.0.0
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Section III - Incentive Information

Incentive Type: Baseline ☒ Stretch ☐ Super stretch ☐ Gateway ☐ Multi-year ☐

Degree of Difficulty: High ☒ Medium ☐ Low ☐

Duration: Annual ☐ Multi-year ☒

Fee Payment Type: Completion ☒ Progress ☒ Provisional ☐

Section IV - Performance Expectation and Measurement

Short Title: Vitrification Cell Dismantlement and Waste Shipping

1. **Description:** The Vitrification Cell will be dismantled, radioactive waste will be shipped or stored, and the Cell will be cleaned as described in paragraph 4a.

2. **Cost Constraint/Incentive:** All work associated with this activity shall be completed within the approved budget defined in the applicable cost account planning report (CAPR).

3. **Gateway:** None.

4. **Completion:** This performance incentive will be completed on or before June 30, 2005 as described below. The physical configuration of the Vitrification Cell and the location of the waste at the conclusion of the work will meet the end states described as mutually agreed upon and documented in WVNS Letter WD:2004:0077, Projected Facility and Waste End States for the Vitrification Cell Dismantlement and Waste Shipping Project.

A. WVNSCO will remove structures, systems and components, except for the melter from the Vitrification Cell. Debris will also be removed from the floors of the Equipment Decontamination Room, the former Chemical Processing Cell in addition to the Vitrification Cell. Upon removal of all debris, structures, systems, and components, WVNSCO will vacuum the floor of the Vitrification cell. Upon satisfactory completion of all activities specified in this paragraph A, WVNSCO may declare physical dismantlement complete. Upon acceptance of such declaration by DOE, WVNSCO will earn \$1,788,750.00 of the fee available under this PBI.

B. WVNSCO will ship radioactive solid waste, including the concentrator feed makeup tank and the melter feed holding tank, generated during the Vitrification Cell Dismantlement Project prior to October 1, 2004 with a pathway to disposal. Twenty five thousand cubic feet of other, existing inventory of radioactive, low-level solid waste will also be shipped off site for permanent disposal to allow sufficient on-site storage for waste from future activities. Upon satisfactory completion of all activities specified in this paragraph B, WVNSCO may declare waste shipping complete. Upon acceptance of such declaration by DOE, WVNSCO will earn \$1,391,250 of the fee available under this PBI.

5. **Completion Documents List:** A report documenting the completion of this milestone to include: a description of the physical work conducted, including its relation to the requirements for the mutually agreed upon end states and completed off-site documentation of receipt and disposal from the disposal facility.

6. **Technical Boundary conditions:** Waste not packaged for shipment will be sized, shaped, containerized and otherwise configured in a manner such that it can be processed through the Remote Handled Waste Facility. Physical configuration of the Vitrification Cell and the location of the waste will be as described for the mutually agreed upon end states.

7. **Assumptions:** A gap analysis as authorized in DOE memorandum OH-976-02 concludes that a DOE Readiness Review is not required to initiate work. No additional NEPA coverage is required. No new facilities are to be constructed (except for concrete vaults as required). The waste incidental to reprocessing determination for vitrification expended materials must remain valid. Failure to ship the CFMT and MFHT based on documented conditions outside of WVNSCO control will not constitute a reason to preclude WVNSCO from earning 100% of the fee allocated in paragraph 4b.

Definitions: All waste classifications are as defined in DOE O435.1.

Earnings Schedule: Fee is billed in 15 equal progress monthly installments of (30 days net) 100% of the fee pool allocated to physical dismantlement as specified above. The calculation follows: total fee pool allocated to physical dismantlement completion of \$1,788,750/15 = \$119,250.00. A schedule performance index (SPI) will be established for this incentive, and will be used to validate satisfactory progress for the purpose of continued payment of progress fee hereunder. Failure of the contractor to maintain an SPI of at least .85 may result in suspension of progress fee payments under this incentive. \$1,788,750.00 is earned (net 30 days), at completion of physical dismantlement as specified in paragraph 4A above. \$1,391,250 is earned (net 30 days) at completion of waste shipping as specified in paragraph 4B above.

Revision as of 3/22/05: Completion date for physical dismantlement activities has been extended to June 30, 2005. No additional progress payments are due. Upon completion of the physical dismantlement activities on or before June 30, 2005 the last payment of \$119,250.00 will be made. Failure to complete physical dismantlement activities on or before June 30, 2005 will result in a reduction in fee of \$100,000.00 per month for each month the completion date is exceeded. The fee reduction will be prorated on a 30 days basis for partial months. Contractor will be required to return any fee provisionally paid in order to meet the deduction amounts.

Fee Available **\$ 3,180,000.00** **Equivalent to** _____ **% of Fee Pool**

Approvals:

WVNSCO

Signature:

Date:

DOE Project Director	Signature:	Date:
Contracting Officer	Signature:	Date